EPA REGION 2 BRIEFING PAPER

US VIRGIN ISLANDS PUBLIC HEALTH AND ENVIRONMENTAL PRIORITY ISSUES

Not responsive

Not responsive

Not responsive

USVI PUBLIC HEALTH AND ENVIRONMENTAL PRIORITY ISSUES

EPA Region 2 has been working with the Commissioner of the USVI Department of Planning and Natural Resources (VIDPNR), Jean-Pierre "JP" Oriol (who took office in January 2019), in the agency's delegated responsibilities of protecting public health and the environment and providing support with the on-going disaster recovery efforts in response to the 2017 hurricanes. Some of the key environmental and public health priority issues for USVI are described in detail below, including:

1. VIDPNR High Risk Designation;
2. USVI Solid Waste Management Issues;
3. Limetree Bay Terminals and Limetree Bay Refining (Formerly HOVENSA, St. Croix);
4. USVI Waste Water Infrastructure and EPA Clean Water Act Construction Grants;
5. Tutu Wellfield Superfund Site;
6. Krum Bay, St. Thomas Subbase Oil Spill and WAPA Utility Vault Flashover Emergency Response;
7. USVI Ambient Air Monitoring Network; and
8. USVI Disaster Response and Recovery Efforts.

ED_004253_00000813-00003

Not responsive

Not responsive

Not responsive

3. LIMETREE BAY TERMINALS / LIMETREE BAY REFINING (FORMERLY HOVENSA, ST. CROIX)

From 1965 until 2015, Hess, HOVIC and then HOVENSA, a joint venture between Hess Oil Virgin Islands Corporation (HOVIC) and the national oil company of Venezuela, Petroleos de Venezuela, S.A., was permitted to operate a petroleum refinery and marine terminal on the island of St. Croix in the USVI. The facility's maximum design capacity was 545,000 barrels of crude oil per day.

Operations of the facility let to numerous violations of the Clean Air Act (CAA) and in June 2011, EPA and the USVI entered into a Federal District Court a judicial consent decree (CD) with HOVENSA to remedy these violations.

In February 2012, HOVENSA idled all refinery and processing operations at the facility, but marine terminal operations including oil storage operations, continued until February 2015 and distribution of oil within the USVI from this facility continued until May 2015. HOVENSA filed for Chapter 11 bankruptcy on September 15, 2015, and its above ground assets were sold to Limetree Bay Terminals LLC (LBT) in January 2016. The USVI government still owns a portion of the land located within the refinery boundaries.

Since the passing of Hurricanes Irma and Maria in 2017, LBT has been engaged with EPA and other regulators to pursue restarting operations of the facility. Limetree is seeking regulatory approvals and modification of the previous CD (2011) in order to restart portions of the facility. With the reopening, LBT plans to:

- produce low sulfur fuel for maritime use that meets the MARPOL standards, which will be effective January 2020;
- construct a single-point mooring buoy to accommodate larger crude tankers;
- expand terminal storage (adding 10-15 million barrels storage capacity);
- potentially produce renewable biodiesel to comply with the Renewable Fuel Standards; and
- potentially restart additional units and potentially increase power generation at the facility.

Through its ongoing communications with EPA, Limetree advised that it anticipates restarting portions of the refinery operations by as early as August 1, 2019, rather than January 1, 2020. This anticipated restart date makes it all the more important that EPA and VIDPNR continue to give this matter a high priority and that there be effective, focused coordination between our two agencies. Several Clean Air Act matters requiring coordination between EPA and the VI are pending before the governments, including:

- Consent Decree modification negotiations.
- Refinery Sector Rule compliance extension requests submitted to both the VI and EPA.
- Limetree has submitted and intends to submit additional revisions to the facility's Title V permit renewal application.

- EPA and VIDPNR have been working together to revise a State Implementation Plan (SIP) rule to reflect a change that Limetree has made to the facility, which VIDPNR needs to process as a SIP revision.
- Limetree has requested that monitors used to conduct sulfur dioxide ambient air monitoring be reduced from 5 to 2 (with an additional 3 whenever high sulfur fuel is used). VIDPNR agrees with EPA that monitoring requirements are needed. EPA will require operation of 5 ambient monitoring stations for SO2 (at all 5 sites), NO2 (at 2 sites) and PM2.5 (at 1 site). Limetree has been informed of EPA's intention to include these monitoring requirements in the draft PALs permit.
- EPA is reviewing Limetree submissions related to the Regional Haze FIP to determine if controls will be required for a Regional Haze SIP, which the VI will also need to process.

To be successful in the Consent Decree modification process EPA will need sustained focus by the USVI decision-makers over a very short period of time. **Ex. 5 (delib. process) and Ex. 7(A)**

Ex. 5 (delib. process) and Ex. 7(A)

ED_004253_00000813-00008

Not responsive

Not responsive

Not responsive

Not responsive

Not responsive

Not responsive